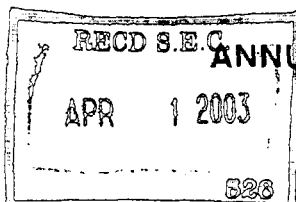




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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderOMB APPROVAL
OMB Number: 3235-0123
Expires: October 31, 2004
Estimated average burden
hours per response: 12.00

SEC FILE NUMBER

8- 40615

REPORT FOR THE PERIOD BEGINNING January 1, 2002 AND ENDING December 31, 2002
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Lloyd, Scott & Valenti, Ltd.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

7701 N. Lamar, Ste. 408

(No. and Street)

Austin, Texas

(City)

(State)

78752

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Dennis T. L. Gordon(713) 977-5355

(Area Code Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Tuttle, Nathan Talmadge

(Name - if individual, state last, first, middle name)

6111 Beverly Hill, Suite 6

(Address)

Houston, Texas

(City)

77057

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

PROCESSED

APR 04 2003

THOMSON
FINANCIAL

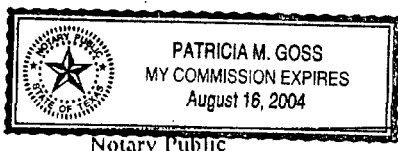
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(c)(2)

OATH OR AFFIRMATION

I, Sterling Lee, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Lloyd Scott & Valenti, Inc., as of Dec 31, 2002, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

None


Signature



Notary Public

Sterling Lee, President
Title
Patricia Goss 3/31/03

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent Auditor's Report on Internal Control Structure.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

LLOYD, SCOTT & VALENTI, LTD.
Statement of Financial Condition

| | <u>December 31,</u> | |
|---|---------------------|------------------|
| | <u>2002</u> | <u>2001</u> |
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 13,874 | \$ (721) |
| Clearing Deposits | 39,319 | 40,448 |
| Receivable from broker-dealers and clearing organization | 59,903 | 9,208 |
| Accounts receivable | 40,612 | 12,713 |
| Other assets | <u>13,660</u> | <u>3,399</u> |
| Total assets | <u>\$ 167,369</u> | <u>\$ 65,047</u> |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 5,575 | \$ 15,301 |
| Commissions payable | <u>77,591</u> | <u>10,914</u> |
| Total liabilities | <u>83,166</u> | <u>26,215</u> |
| Stockholders' equity | | |
| Common stock, no-par value | | |
| Authorized 200 shares; issued and outstanding 200 shares | \$ 8,000 | \$ 8,000 |
| Additional paid-in capital | 128,712 | 128,712 |
| Accumulated deficit | <u>(52,508)</u> | <u>(97,880)</u> |
| Total stockholders' equity | <u>84,203</u> | <u>38,832</u> |
| Total liabilities and stockholders' equity | <u>\$ 167,369</u> | <u>\$ 65,047</u> |

The accompanying Notes to Financial Statements are an integral part of this statement.